

FISCAL YEAR 2024-25 THIRD QUARTER BUDGET UPDATE

May 29, 2025

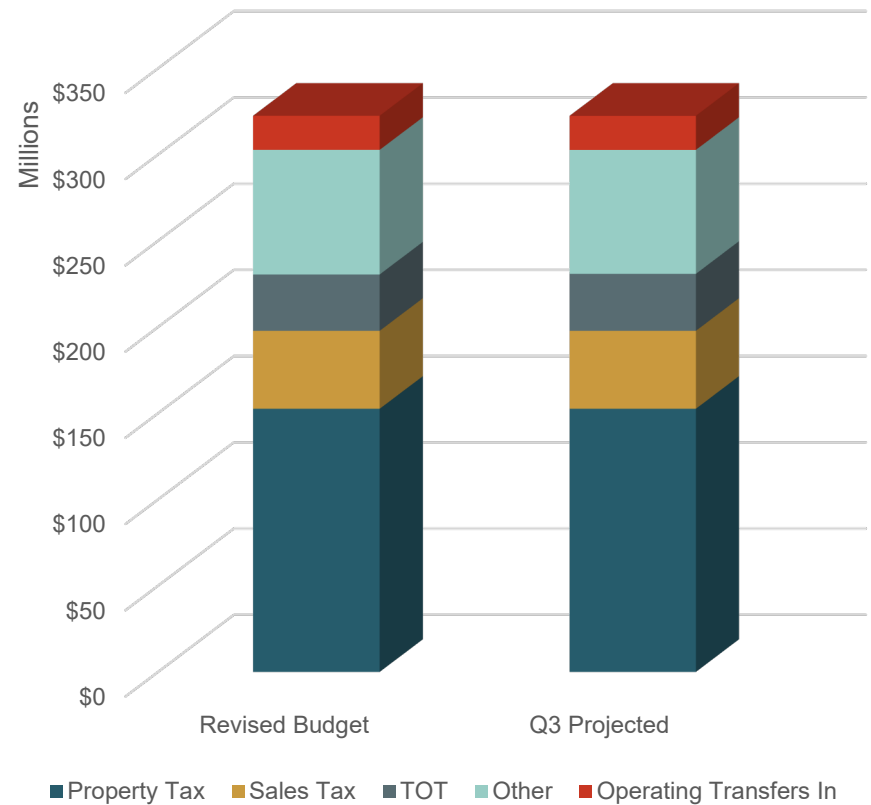
Finance Committee



PROJECTED GENERAL FUND REVENUES

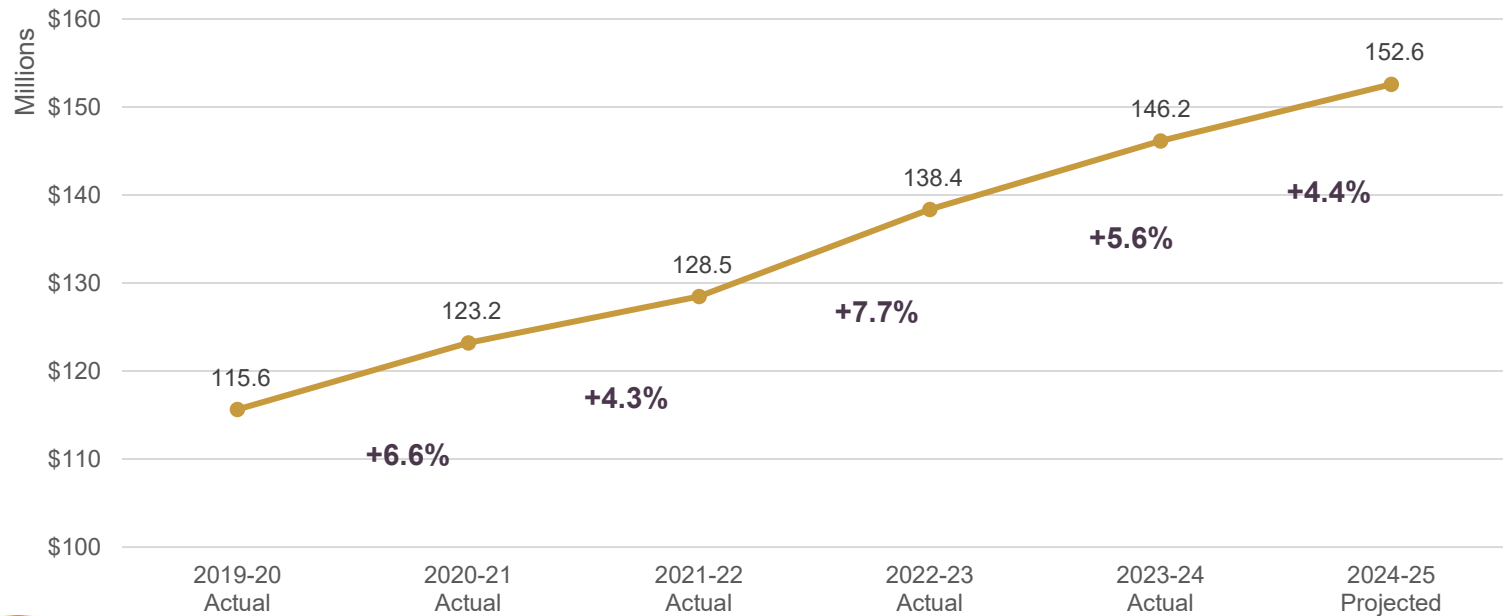
Revised Budget \$ 322.5 million
Second Quarter Projection \$ 323.4 million
Third Quarter Projection \$ 322.9 million

- General Fund revenues are projected to be \$0.5 million lower than previously forecasted, primarily due to decreases in service fees and charges, licenses and permits, and property income. These decreases are partially offset by an increase in TOT revenue.



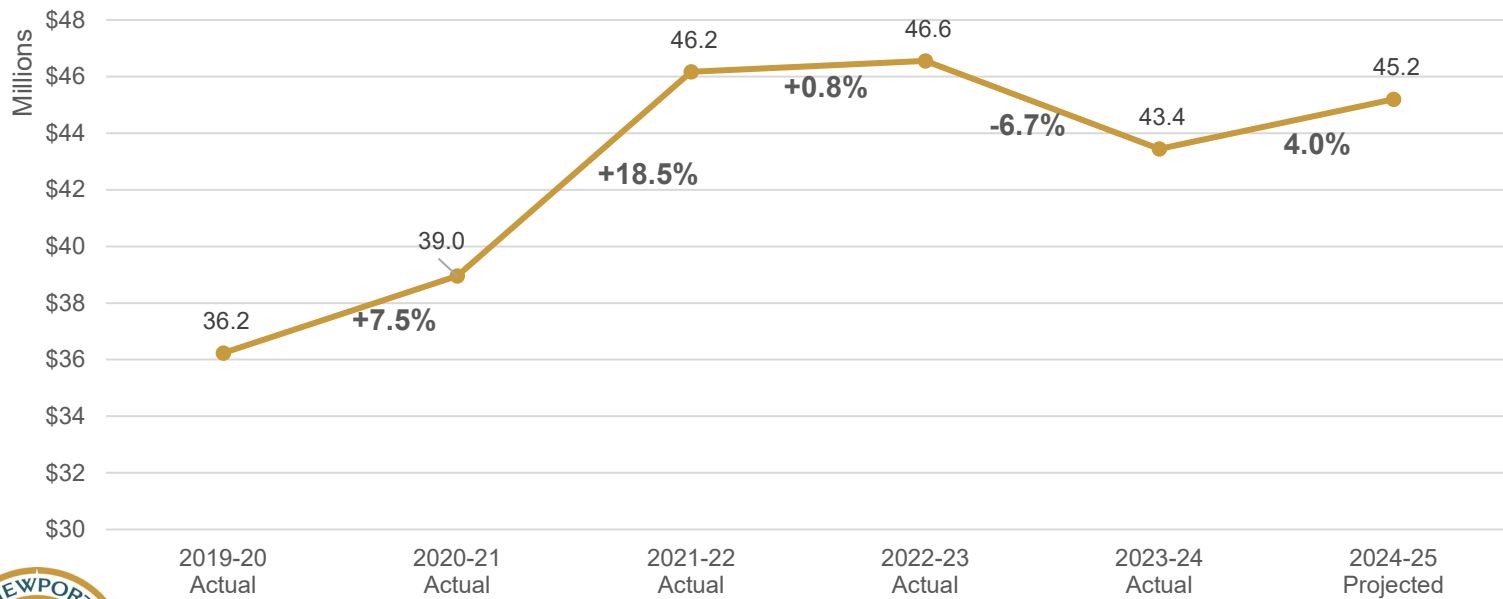
PROPERTY TAX REVENUE

- Property tax revenue is the City's largest source of revenue and is projected to increase by \$6.4 million (4.4%) over the previous fiscal year. This amount aligns with both the budget projection and the second-quarter projection.



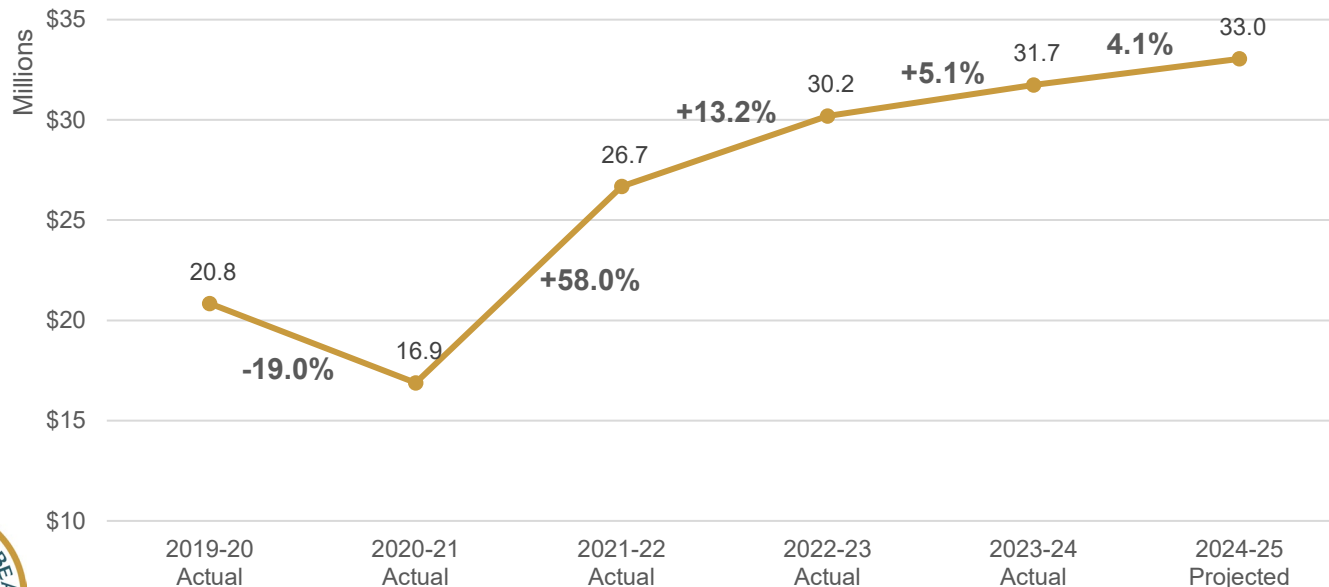
SALES TAX REVENUE

- Sales tax revenue is the City's second-largest source of revenue and is projected to increase by \$1.8 million (4.0%) over the previous fiscal year. This amount aligns with both the budget projection and the second-quarter projection.



TRANSIENT OCCUPANCY TAX

- Transient Occupancy Tax (TOT) revenue is the City's third-largest source of revenue and is projected to increase by \$1.3 million (4.1%) over prior year actuals, driven by anticipated growth in hotel TOT receipts. The third-quarter projection of \$33.0 million is \$0.4 million higher than the second-quarter projection.



GENERAL FUND EXPENDITURES

Revised Budget	\$323.4 million
Projected Actual	<u>\$313.6 million</u>
Q3 Projected Savings	\$9.8 million

- Budget savings of \$9.8 million are currently projected, which is \$2.2 million higher than previously estimated. The increase is primarily due to additional savings from vacant positions and reduced spending on contract services.



GENERAL FUND SOURCES & USES

- A current surplus projection of \$19.2 million is expected to grow in the fourth quarter.
- Approximately \$2.1 million is needed to fund the contingency reserve, leaving \$17.1 million uncommitted.

Category	A Q2 Projection	B Q3 Projection	C=B-A Variance	D=C/A % Variance
Beginning Fund Balance Reserves	15,752,275	15,752,275	-	0.0%
Operating Resources:				
Operating Revenues	303,652,257	303,140,819	(511,438)	-0.2%
Prior Year Resources Carried Forward	6,786,845	6,786,845	-	0.0%
Transfers In from Other Funds	19,767,775	19,767,775	-	0.0%
Repayment of Advances	1,250,000	1,250,000	-	0.0%
Total Operating Resources	331,456,877	330,945,439	(511,438)	-0.2%
Operating Uses:				
Operating Expenditures	276,570,406	274,350,208	(2,220,198)	-0.8%
Transfers Out	39,255,611	39,255,611	-	0.0%
Total Operating Uses	315,826,017	313,605,819	(2,220,198)	-0.7%
Net Operating Surplus	15,630,860	17,339,620	1,708,760	24.2%
Non-Operating Resources & Uses				
Transfers Out	(13,924,578)	(13,924,578)	-	0%
Total Non-Operating Resources & Uses	(13,924,578)	(13,924,578)	-	0.0%
Net Change in Fund Balance	1,706,282	3,415,042	1,708,760	-24.9%
Ending Fund Balance Reserves	17,458,557	19,167,317	1,708,760	19.2%



OTHER MAJOR FUNDS

- Tidelands Fund
 - +\$145,000 increase in Sale of Oil Revenues
 - +\$145,000 in Other Agency Fees and Maintenance and Repair NOC



RECOMMENDED ACTION

Staff recommends that the Finance Committee:

- Review and discuss this report
- Provide any recommendations for consideration by the City Manager and the City Council



Questions?

